

NOMURA ASSET MANAGEMENT

**Nomura Asset Management Co., Ltd.
Financial Summary (Unconsolidated)
For The Year Ended March 31, 2024
(Unaudited)**

Nomura Asset Management Co., Ltd.

Unconsolidated Balance Sheet Information (Unaudited)

(Millions of Yen)

	March 31, 2023	March 31, 2024	Increase (Decrease)
Assets			
Current assets	101,486	92,719	(8,767)
Cash and cash equivalents	1,865	7,405	5,539
Money held in trust	42,108	44,745	2,637
Short-term investment securities	21,900	-	(21,900)
Accrued investment trust management fees	26,116	31,788	5,671
Accrued investment advisory fees	3,780	5,989	2,209
Short-term loans receivable	1,001	757	(244)
Income taxes refund receivable	2,083	-	(2,083)
Other	2,645	2,052	(593)
Allowance for doubtful receivables	(15)	(18)	(3)
Non-current assets	23,235	23,918	683
Tangible fixed assets	1,335	945	(389)
Intangible fixed assets	5,563	5,658	95
Investments and other assets	16,336	17,314	977
Investment securities	1,793	1,813	19
Investment in subsidiaries and affiliates	10,025	9,535	(490)
Long-term guarantee money deposited	520	519	(1)
Prepaid pension cost	1,553	1,875	322
Deferred tax assets	2,340	2,651	310
Other	102	919	816
Total assets	124,722	116,638	(8,084)

(Millions of Yen)

	March 31, 2023	March 31, 2024	Increase (Decrease)
Liabilities			
Current liabilities	32,414	52,005	19,591
Short-term borrowings	-	13,700	13,700
Distributions of income payable	0	1	0
Redemptions payable	57	39	(17)
Commissions payable	8,409	10,312	1,902
Accounts payable to affiliated company	8,911	1,052	(7,858)
Accrued expenses	9,682	12,507	2,824
Accrued income taxes	1,024	8,095	7,071
Accrued consumption taxes	500	1,590	1,090
Allowance for bonuses	3,635	4,543	907
Other	193	163	(29)
Non-current liabilities	4,659	4,484	(174)
Allowance for retirement benefits	2,940	2,759	(181)
Reserve for loss on distribution of income and redemption after statute of limitation	595	602	7
Asset retirement obligations	1,123	1,123	-
Total liabilities	37,074	56,490	19,416
Shareholder's equity	87,419	59,820	(27,598)
Common stock	17,180	17,180	-
Capital surplus	13,729	13,729	-
Additional paid-in capital	11,729	11,729	-
Other capital surplus	2,000	2,000	-
Earned surplus	56,509	28,910	(27,598)
Earned surplus reserve	685	685	-
Other earned surplus	55,823	28,225	(27,598)
General reserve	24,606	-	(24,606)
Unappropriated retained earnings	31,217	28,225	(2,991)
Valuation and translation adjustments	229	327	97
Valuation differences on available-for-sale securities	229	327	97
Total net assets	87,648	60,147	(27,500)
Total liabilities and net assets	124,722	116,638	(8,084)

Nomura Asset Management Co., Ltd.

Unconsolidated Income Statement Information (Unaudited)

(Millions of Yen)

	Year Ended March 31, 2023 (A)	Year Ended March 31, 2024 (B)	Comparison (B)/(A) (%)
Operating revenues	132,021	146,202	110.7
Investment trust management fees	113,491	124,722	109.9
Investment advisory fees	18,198	21,188	116.4
Other operating revenues	331	291	88.0
Operating expenses	73,587	82,468	112.1
Commissions	38,684	43,258	111.8
Research	29,050	33,107	114.0
Other operating expenses	5,853	6,103	104.3
General and administrative expenses	29,669	31,491	106.1
Operating income	28,763	32,242	112.1
Non-operating revenues	8,377	7,875	94.0
Non-operating expenses	1,755	967	55.1
Ordinary income	35,385	39,149	110.6
Extraordinary gains	57	28	49.2
Extraordinary losses	69	527	762.6
Income before income taxes	35,374	38,651	109.3
Income taxes - current	8,890	10,821	121.7
Income taxes - deferred	419	(354)	(84.5)
Net income	26,064	28,183	108.1

For The Year Ended March 31, 2023

(Millions of Yen)

	Shareholder's equity								
	Common stock	Capital surplus			Earned surplus			Total shareholder's equity	
		Additional paid-in capital	Other capital surplus	Total capital surplus	Earned surplus reserve	Other earned surplus			Total earned surplus
					General reserve	Unappropriated retained earnings			
Balance at beginning of period	17,180	11,729	2,000	13,729	685	24,606	30,030	55,322	86,232
Changes during period									
Dividends of surplus							(24,877)	(24,877)	(24,877)
Net income							26,064	26,064	26,064
Net changes in items other than shareholder's equity									
Total changes during period	-	-	-	-	-	-	1,186	1,186	1,186
Balance at end of period	17,180	11,729	2,000	13,729	685	24,606	31,217	56,509	87,419

(Millions of Yen)

	Valuation and translation adjustments		Total net assets
	Valuation differences on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	174	174	86,407
Changes during period			
Dividends of surplus			(24,877)
Net income			26,064
Net changes in items other than shareholder's equity	54	54	54
Total changes during period	54	54	1,240
Balance at end of period	229	229	87,648

For The Year Ended March 31, 2024

(Millions of Yen)

	Shareholder's equity								Total shareholder's equity
	Common stock	Capital surplus			Earned surplus			Total earned surplus	
		Additional paid-in capital	Other capital surplus	Total capital surplus	Earned surplus reserve	Other earned surplus			
						General reserve	Unappropriated retained earnings		
Balance at beginning of period	17,180	11,729	2,000	13,729	685	24,606	31,217	56,509	87,419
Changes during period									
Dividends of surplus							(55,782)	(55,782)	(55,782)
Net income							28,183	28,183	28,183
Reversal of general reserve						(24,606)	24,606	-	-
Net changes in items other than shareholder's equity									
Total changes during period	-	-	-	-	-	(24,606)	(2,991)	(27,598)	(27,598)
Balance at end of period	17,180	11,729	2,000	13,729	685	-	28,225	28,910	59,820

(Millions of Yen)

	Valuation and translation adjustments		Total net assets
	Valuation differences on available-for-sale securities	Total valuation and translation adjustments	
Balance at beginning of period	229	229	87,648
Changes during period			
Dividends of surplus			(55,782)
Net income			28,183
Reversal of general reserve			-
Net changes in items other than shareholder's equity	97	97	97
Total changes during period	97	97	(27,500)
Balance at end of period	327	327	60,147

Significant Accounting Policies

1. Basis and Method of Valuation for Securities

The basis and methods of valuation are summarized as follows:

Investments in subsidiaries and affiliates at cost by the moving average method

Available-for-sale securities:

With determinable market value at market value

Valuation differences are reported net of the applicable income taxes as a separate component of net assets and costs of securities sold are calculated by the moving average method.

Without determinable market value at cost by the moving average method

2. Basis and Method of Valuation for Money held in trust

Money held in trust is measured at fair value.

3. Basis and Method of Valuation for Derivatives

Derivatives are measured at fair value.

4. Translation of foreign currency assets and liabilities

Assets and Liabilities denominated in foreign currencies are translated into Japanese yen at the exchange rate, prevailing at the balance sheet date and the effect of exchange rate changes are recorded in gain and loss.

5. Depreciation/Amortization Method of Fixed Assets

(1) Depreciation of tangible fixed assets

Tangible fixed assets are depreciated by the declining-balance method, except for buildings (excluding structures attached to the buildings) acquired on or after April 1, 1998, which are depreciated by the straight-line method. Furthermore, structures attached to the buildings and facilities acquired on or after April 1, 2016 are depreciated by the straight-line method.

(2) Amortization of intangible assets

Intangible fixed assets are amortized by the straight-line method. Software for internal use is amortized by the straight-line method over estimated useful lives on the basis of internal use.

6. Allowances and Accruals

(1) Allowance for doubtful receivables

For specific receivables from doubtful debtors, allowance for doubtful receivables is provided by determining the likelihood of recovery of individual doubtful receivables. For receivables other than those indicated above, allowance for doubtful receivables is provided by using the historical rate of default.

(2) Allowance for bonuses

Allowance for bonuses is provided by estimating bonuses to be paid, based on services provided during the fiscal year.

(3) Allowance for retirement benefits

Allowance for retirement benefits which consists of lump-sum payment plan and tax-qualified pension plan is provided for future payments of retirement benefits to employees at an estimated amount based on the retirement benefit obligation and the fair value of the pension plan assets.

The benefit formula method is used for attributing the estimated future payments to the amount of allowance for retirement benefits in this fiscal year.

Any actuarial differences arising from the tax-qualified pension plan are amortized from the following fiscal year when the differences arise by the straight-line method over a period within the average remaining years of service of the eligible employees, while those arising from the lump-sum payment plan are fully expensed in the following fiscal year when the differences arise. Prior

service costs arising from the lump-sum payment plan and tax-qualified pension plan are amortized by the straight-line method over a period within the average remaining years of service of the eligible employees from the fiscal year when they are incurred.

(4) Reserve for loss on distribution of income and redemption after statute of limitation

Reserve for loss on distribution of income and redemption after statute of limitation is provided for investment trust distributions of income and investment trust redemptions recognized as revenue by prescription by estimating the amount of potential payments in the future, which is based on actual payments made in the past.

7. Revenue and Expense Recording Basis

The Company's primary source of revenue is fee income from investment management activities performing the asset management business. Fee income consists of investment trust management fees and investment advisory fees. It may include performance based fees.

(1) Investment trust management fees

Investment trust management fees are generated through investment trust agreements and are generally based on an agreed percentage of the net asset value on a daily basis, assuming that the performance obligation is satisfied based on time elapsed.

Payments of investment trust management fees are settled mainly quarterly or semi-annually.

(2) Investment advisory fees

Investment advisory fees are generated through investment advisory agreements and are generally based on agreed fee rates over the contractual period, assuming that the performance obligation is satisfied based on time elapsed.

Payments of investment trust management fees are settled mainly quarterly or semi-annually.

(3) Performance based fees

Performance based fees are earned from certain arrangements when the actual performance exceeded certain benchmarks or other contractually agreed performance metrics within specified performance measurement periods. They are only recognized at point when it is highly probable that a significant reversal of revenue will not occur in future periods.

Supplementary Information

1. Net Assets of Investment Trusts

(Billions of yen)

	March 31, 2023	March 31, 2024	Increase (Decrease)
Unit Type	122	-	(122)
Open Type	38,364	52,615	14,251
Stock Investment Trusts - Public	38,487	52,615	14,128
Bond Investment Trusts	293	270	(23)
Money Reserve Fund	5,781	6,756	975
Others	0	0	0
Bond Investment Trusts - Public	6,075	7,027	951
Stock Investment Trusts	2,330	2,394	64
Bond Investment Trusts	1,061	870	(191)
Private Investment Trusts	3,392	3,264	(127)
Total	47,955	62,907	14,952

2. Assets under Investment Management and Advisory Contracts

(Billions of yen)

	March 31, 2023	March 31, 2024	Increase (Decrease)
Domestic - General	508	683	175
Domestic - Pension	8,375	10,640	2,265
Overseas	3,703	4,741	1,037
Total	12,587	16,065	3,478

Quarterly Income Statement Information

(Millions of yen)

	1st quarter From April 1, 2023 To June 30, 2023	2nd quarter From July 1, 2023 To September 30, 2023	3rd quarter From October 1, 2023 To December 31, 2023	4th quarter From January 1, 2024 To March 31, 2024	For the year From April 1, 2023 To March 31, 2024
Operating revenues	34,248	35,862	35,994	40,097	146,202
Investment trust management fees	29,112	30,770	31,213	33,615	124,722
Investment advisory fees	5,049	5,012	4,697	6,428	21,188
Other operating revenues	76	79	82	52	291
Operating expenses	19,150	20,108	20,240	22,969	82,468
Commissions	10,086	10,656	10,811	11,703	43,258
Research	7,633	8,036	7,982	9,454	33,107
Other operating expenses	1,430	1,415	1,445	1,811	6,103
General and administrative expenses	8,042	7,432	7,573	8,442	31,491
Operating income (loss)	7,054	8,322	8,180	8,684	32,242
Non-operating revenues	3,407	3,753	511	202	7,875
Non-operating expenses	322	393	(287)	539	967
Ordinary income	10,140	11,682	8,979	8,348	39,149
Extraordinary gains	3	8	8	8	28
Extraordinary losses	0	9	19	496	527
Income (loss) before income taxes	10,142	11,681	8,967	7,860	38,651
Income taxes - current	1,699	3,081	2,861	3,178	10,821
Income taxes - deferred	1,023	(486)	(209)	(681)	(354)
Net income (loss)	7,419	9,086	6,314	5,363	28,183